

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 02 TEGUCIGALPA 002757

SIPDIS

STATE FOR WHA/CEN, WHA/EPSC, EB/TPP, INR/B AND DRL/IL
STATE PASS USTR
STATE PASS AID FOR LAC/CAM
DOL FOR ILAB
GUATEMALA FOR AGATT SHUETE
TREASURY FOR DDOUGLASS
ROME for Embassy The Vatican

E.O. 12958: N/A

TAGS: [ETRD](#) [ECON](#) [PGOV](#) [EAID](#) [KIPR](#) [EAGR](#) [ELAB](#) [PINR](#) [HO](#)

SUBJECT: CAFTA Debate Heats Up Ahead of Possible December 15
Vote; Ratification Remains Likely But Vote Could Be Delayed

REF: A) Tegucigalpa 2483

B) Tegucigalpa 2315

1. Summary: As the Honduran Congress considers CAFTA and moves closer to a vote, both supporters and opponents of the agreement have been making their views known in public fora and through the press. In recent weeks CAFTA has been publicly denounced by Roman Catholic Cardinal Oscar Rodriguez (considered to be one of the leading Latin American candidates to be the next Pope), campesino leaders, and a ruling party congressman, who is a presidential candidate. In response, administration officials have stepped up their efforts at outreach and promotion, ahead of a ratification vote which they hope will take place on December 15. Though the opposition has turned up the volume on their objections, administration officials are still expressing confidence that CAFTA will be approved. Post also expects that the National Congress will approve CAFTA when it votes on this issue. The vote could be delayed until late January/early February. End summary.

2. In the weeks since October 28, when legislation for the approval of U.S.-Central America Free Trade Agreement (CAFTA) was submitted to Congress (ref A), groups and individuals opposed to CAFTA have increasingly been making very vocal public statements to express their opposition to the agreement.

Cardinal Rodriguez: CAFTA "Anything but free"

3. On November 26, in comments widely covered by the Honduran press, Cardinal Oscar Rodriguez declared that the so-called Free Trade Agreement is "anything but free". While attending the annual assembly for Central American bishops in Costa Rica, Rodriguez stated that CAFTA "is only free for the party which has power, and Central Americans do not. How can we talk about free trade when protectionism persists in the United States?"

4. Rodriguez acknowledged that the agreement will provide benefits for certain sectors of the Central American economies, but not, he claimed, to the agricultural sector, where poor Central American farmers will be forced to compete against subsidized products from the United States. "It will be impossible for our farmers to compete under these conditions."

Campesino Organization: "An Economic Conquest"

5. The General Secretary of the Coordinating Council for Honduran Campesino Organizations (COCOCH), Felix Vasquez, has announced that a march on Congress will be held December 14, the day before administration officials say that Congress will vote on CAFTA. Speaking to the press on December 1, Vasquez denounced CAFTA as an "economic conquest" of Honduras, saying that "small and medium-sized businesses will disappear, since no protection of our products or our markets was negotiated" in the agreement. Vasquez claims to have collected ten thousand signatures on a petition against CAFTA, which he hopes to present to President of the Congress (and National Party presidential candidate) Porfirio "Pepe" Lobo at the culmination of the march on December 14.

Gilberto Goldstein: "CAFTA is premature"

6. The only presidential candidate to have spoken publicly about CAFTA is National Party Congressman Gilberto Goldstein (considered to have very little chance of winning his party's nomination). Goldstein came out against CAFTA in

comments published in the press on November 29, arguing that the details of the agreement have not been sufficiently explained to all sectors of the Honduran economy, and that poor Honduran farmers have not been adequately trained and prepared for the transition that CAFTA will bring. He further suggested that Central America is politically unready for such an agreement, saying that, "Before signing any commercial treaty that involves all Central Americans, we should first solidify and unify ourselves, we who form the great Republic of Central America, in which we have invested 50 years without achieving our desired goal."

17. Comment: While Post understands that President of the Congress Porfirio "Pepe" Lobo is working closely to promote congressional approval of CAFTA, neither he nor any of the other leading presidential candidates, such as National Party candidate Miguel Pastor or leading Liberal Party candidate Mel Zelaya, have spoken publicly about the agreement. See septel for reporting on their comments during private meetings with EmbOffs. End Comment.

GOH Continues to Get Its Message Out

18. At the same time, administration officials have intensified their efforts to promote CAFTA and explain its contents to a skeptical public. (Note: A September CID-Gallup poll put public support for CAFTA in Honduras at 49 percent, the lowest level of support in Central America. End Note.) Minister of Trade and Industry Norman Garcia and Minister of Agriculture Mariano Jimenez have now held closed-door outreach meetings with every party in Congress (ref B), though some Congressmen still complain to the press that they lack a sufficient understanding of the agreement. Other GOH officials, including the Minister-Advisor for Promotion of Foreign Investment Camilo Atala and the usually reticent Chief CAFTA Negotiator Melvin Redondo, have been appearing on radio and television news programs explaining the benefits of CAFTA. In the last week of November the Ministry of Trade and Industry published a special six-page section in all four national newspapers, entitled "Myths and Realities About the Free Trade Agreement."

Pushing for a December 15 Vote

19. Minister Garcia told EconOffs that Congress will vote on CAFTA on December 15, and other Trade Ministry officials say that President Ricardo Maduro has scheduled a meeting with congressional leaders to discuss the agreement on December

14. Melvin Redondo has even announced the December 15 date publicly, a clear sign that administration officials are pushing Congress to act before the year-end recess. However, National Party Congressman Juan Orlando Hernandez, the "Whip" of the Congress, has said that a vote on CAFTA is unlikely during the week of December 13-17, as there is still some vocal opposition to the agreement, including within the National Party delegation. According to Hernandez, while the executive branch is pushing for a quick vote on the agreement, congressmen, who have to face voters soon on the issue (primary elections are in February 2005), are much more reluctant.

Pierce